GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3761
ANSWERED ON:13.12.2002
INTERNAL EXTERNAL DEBT
RAM SINGH KASWAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

e:

(a) the internal and external debt burden on the country at present;

(b) the interest per annum on loan being paid by the Government;

(c) whether the Government are contemplating to minimise the debt burden on the country; and

(d) if so, the efforts being made by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a) The internal debt of the Central Government is estimated to beRs. 1,021,739 crore in 2002-03 (BE) as against Rs. 909,052 crore in 2001-02(RE). India`s external debt at end-March, 2002 wasUS$ 98.1 billion (Rs. 478,915 crore), of which Government debtwas US $ 43.5 billion (Rs.212,499 crores).

(b) The interest payments on internal debt as estimated in 2002-03 (BE) is Rs. 99,011 crore as against Rs. 88,517 crore in 2001-02 (Revised Estimates). Interest payments on Government externaldebt is estimated at Rs. 4320 crore in 2002-03(BE) as against Rs.4317 crore in 2001-02 (RE).

(c & d): In order to minimise the internal debt burden on the country, the Central Government has been following the strategy of fiscal rectitude as outlined in the Union Budget 2002-03, which aims at higher tax revenues, improved non-tax receipts and moderation in the growth of non-plan expenditure. The Government also follows a prudent external debt management policy to keep the debt within manageable limits. The key elements of the policy are external borrowings from multilateral/bilateral sources concentrating on concessional and less expensive debt, limiting short-term debt, prepaying more expensive external debt and encouraging non-debt creating flows on capital account, export and invisibles on current account.